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13 Attorneys for Plaintiffs, on behalf of themselves and
14 all others similarly situated and aggrieved

15 (Additional counsel information on the next page)

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

17 **FOR THE COUNTY LOS ANGELES – SPRING STREET COURTHOUSE**

18 LUIS MANUEL VILLALPANDO,
19 BYRON OSPITIA, DEVAN ESCOBAR,
ALEJANDRO MENDOZA, and
20 THOMAS VALENZUELA, as individuals
and on behalf of all others similarly
21 situated,

22 Plaintiffs,

23 v.

24 LOS ANGELES TRUCK SERVICE,
LLC, a California limited liability
25 company doing business as Velocity
Truck Center, Velocity Vehicle Group,
26 and Los Angeles Freightliner;
TRANSWEST TRUCK CENTER, LLC, a
27 California limited liability company;
VELOCITY VEHICLE GROUP
28 CAROLINAS I, LLC, a California limited
liability company; VELOCITY VEHICLE
GROUP CAROLINAS II, LLC, a

CASE NO.: 22STCV11804 (Lead Case)
CASE NO.: 22STCV12417
CASE NO.: 22STCV26724

[Assigned to the Hon. Carolyn B. Kuhl in
Dept. 12]

**CLASS AND PAGA SETTLEMENT
AGREEMENT**

ACTION FILED: April 6, 2022
TRIAL DATE: None set

1 California limited liability company;
2 VELOCITY VEHICLE GROUP
3 CAROLINAS III, LLC, a California
4 limited liability company; and DOES 1
5 through 100, inclusive,
6 Defendants.

7 Defendants.

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1 This Class Action and PAGA Settlement Agreement (“the Agreement”) is entered into
2 in *Villalpando, et al. v. Los Angeles Truck Service, LLC, et al.*, Los Angeles County Superior
3 Court, Case Number 22STCV11804 (“the Class Action”), *Villalpando, et al. v. Los Angeles*
4 *Truck Service, LLC, et al.*, Los Angeles County Superior Court, Case No. 22STCV26724 (“the

5 PAGA Action”), and *Farrell v. Los Angeles Truck Centers, LLC*, Los Angeles Case No.
6 22STCV12417 (“the Farrell Action”)(collectively, with the Class Action and PAGA Action,
7 “the Settled Actions”), and is made by and between Plaintiffs Luis Manuel Villalpando, Bayron
8 Ospitia, Devan Escovar, Alejandro Mendoza and Thomas Valenzuela (“Villalpando Plaintiffs”),
9 along with plaintiff Ronnie Farrell (“Plaintiff Farrell” and with the Villalpando Plaintiffs,
10 “Plaintiffs”), on the one hand, and Defendants Los Angeles Truck Service, LLC (d.b.a. Velocity
11 Truck Center; Velocity Vehicle Group; and Los Angeles Freightliner); Transwest Truck Center,
12 LLC; Velocity Vehicle Group Carolinas I, LLC; Velocity Vehicle Group Carolinas II, LLC;
13 Velocity Vehicle Group Carolinas III, LLC; Los Angeles Truck Centers, LLC; Fleet Logic, LLC;
14 Buswest, LLC; Velocity SBA, LLC; and Crossroads Equipment Lease and Finance, LLC, and
15 SVT Fleet, LLC (collectively, “Defendants”), on the other hand. The Agreement refers to
16 Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

17 **1. DEFINITIONS**

18 1.1 “Administrator” means Phoenix Settlement Administrators, the neutral entity the
19 Plaintiffs have agreed to appoint to administer the Settlement.

20 1.2 “Administration Expenses Payment” means the amount the Administrator will be
21 paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
22 accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection
23 with Preliminary Approval of the Settlement.

24 1.3 “Aggrieved Employee” means a person currently or formerly employed by
25 Defendants, either directly or through any subsidiary, staffing agency, or professional employer
26 organization, as a non-exempt, hourly-paid employee, from May 9, 2021, through and including
27 May 1, 2024 (“PAGA Period”), in the State of California. A previous lawsuit *Adam Davidson*
28 *v. Los Angeles Truck Centers, LLC*, Los Angeles Superior Court Case No. 20STCV41572

1 (“*Adam Davidson PAGA Settlement*”) settled all PAGA claims for some Aggrieved Employees
2 from August 20, 2019, until January 6, 2022. The PAGA Period for the Aggrieved Employees
3 who released their PAGA claims through the *Adam Davidson PAGA* settlement is from January
4 7, 2022 to May 1, 2024.

5 1.4 “Class” consists of all persons currently or formerly employed by Defendants,
6 either directly or through any subsidiary, staffing agency, or professional employer organization,
7 as non-exempt, hourly-paid employees during the Class Period in the State of California.

8 1.5 “Class Counsel” means Bibiyan Law Group, P.C., and all the lawyers of this firm
9 acting on behalf of Plaintiffs, the Class Members and the Aggrieved Employees, including David
10 D. Bibiyan, Jeffrey D. Klein, and Vedang J. Patel , and Lawyers for Justice, P.C., and all the
11 lawyers of this firm acting on behalf of Plaintiffs, the Class Members and the Aggrieved
12 Employees, including Edwin Aiwarzian and Arman Marukyan.

13 1.6 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment”
14 mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees
15 and expenses, respectively, incurred to prosecute the Settled Actions.

16 1.7 “Class Data” means the Class Members’ identifying information in Defendants’
17 custody, possession, or control, including each Class Member’s: (1) name; (2) last known
18 address; (3) last known telephone number; (4) last known Social Security Number; and (5) the
19 dates of employment (i.e., hire dates, and, if applicable, re-hire date(s) and/or separation date(s)).

20 1.8 “Class Member” means a member of the Class, as either a Participating Class
21 Member or Non-Participating Class Member (including a Non- Participating Class Member who
22 qualifies as an Aggrieved Employee).

23 1.9 “Class Member Address Search” means the Administrator’s investigation and
24 search for current Class Members’ mailing addresses using all reasonably available sources,
25 methods and means including, but not limited to, the National Change of Address database, skip
26 traces, and direct contact by the Administrator with the Class Members.

27 1.10 “Class Notice” means the “COURT APPROVED NOTICE OF CLASS ACTION
28 SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL,” to be mailed to

1 the Class Members and/or Aggrieved Employees in English and Spanish in the form, without
2 material variation, attached as Exhibit A to the Agreement and incorporated by reference into the
3 Agreement.

4 1.11 “Class Period” means the period from April 6, 2018, through and including May
5 1, 2024.

6 1.12 “Class Representatives” means the named Plaintiffs in the operative complaints
7 in the Settled Actions seeking Court approval to serve as Class Representatives.

8 1.13 “Class Representatives Incentive Award” means the payment to the Class
9 Representatives for initiating the Settled Actions and providing services in support of the Settled
10 Actions.

11 1.14 “Court” means the Superior Court of California, County of Los Angeles.

12 1.15 “Defense Counsel” means Fisher and Phillips, LLP, and all the lawyers of this
13 firm acting on behalf of Defendants, including Hannah Sweiss and Ariella M. Kupetz.

14 1.16 “Effective Date” means the date on which the Judgment is final. The Judgment
15 shall be considered final as of the latest of the following occurrences: (a) if no Participating Class
16 Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more
17 Participating Class Members objects to the Settlement, the day after the deadline for filing a
18 notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after
19 the appellate court affirms the Judgment and issues a remittitur.

20 1.17 “Final Approval” means the Court’s order granting final approval of the
21 Settlement.

22 1.18 “Final Approval Hearing” means the Court’s hearing on the Motion for Final
23 Approval of the Settlement.

24 1.19 “Gross Settlement Amount” means Two Million Five Hundred Thousand Dollars
25 and Zero Cents (\$2,500,000.00), which is the total amount Defendants agree to pay under the
26 Settlement, except as provided in Paragraph 8.2, *infra*, and any and all employer payroll taxes
27 owed on the Wage Portions of the Individual Class Payments. The Gross Settlement Amount
28 shall be used to pay the Individual Class Payments, the Individual PAGA Payments, the LWDA

PAGA Payment, the Class Counsel Fees, the Class Counsel Expenses, the Class Representatives Incentive Award, and the Administrator's Expenses.

1.20 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount, calculated according to the number of Workweeks worked by that Participating Class Member during the Class Period.

1.21 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties, calculated according to the number of Pay Periods worked by that Aggrieved Employee during the PAGA Period.

1.22 "Judgment" means the judgment entered by the Court based upon Final Approval.

1.23 "LWDA" means the California Labor and Workforce Development Agency, the agency referenced in Labor Code section 2699, subd. (i).

1.24 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.25 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the Individual PAGA Payments, the LWDA PAGA Payment, the Class Representatives Incentive Award, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder shall be paid to Participating Class Members as the Individual Class Payments.

1.26 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.27 "Operative Complaint" means the Third Amended Complaint to be filed in the Class Action.

1.28 "Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

1.29 "PAGA Period" means the period from May 9, 2021, through and including May 1, 2024.

1.30 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *Et seq.*).

1.31 “PAGA Notice” means Villalpando Plaintiffs’ May 9, 2022 and Plaintiff Farrell’s November 15, 2021, letters to Defendants and the LWDA, providing notice pursuant to Labor Code section 2699.3 subd. (a).

1.32 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees, in the sum of Sixty-Two Thousand Five Hundred Dollars and Zero Cents (\$62,500.00), and the 75% to the LWDA, in the sum of One Hundred Eighty-Seven Thousand Five Hundred Dollars and Zero Cents (\$187,500.00), in settlement of the Released PAGA Claims.

1.33 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.34 “Preliminary Approval Order” means the Court’s Order granting Preliminary Approval and Approval of PAGA Settlement.

1.35 “Released Class Claims” means the claims being released, as described in Paragraph 5.3, *infra*.

1.36 “Released PAGA Claims” means the claims being released, as described in Paragraph 5.5, *infra*.

1.37 “Released Parties” means: Defendants, and each of their former, present and future owners, parents, and subsidiaries, affiliates, trusts, trust funds, investors and related entities or companies, as well as any client, contracting party, joint employer, or joint obligor of Defendants and all of their current, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, fiduciaries, trustees, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, reinsurers, and/or legal representatives.

1.38 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from settlement of the Class Action, signed by that Class Member.

1.39 “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement; or (b) mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been

1 returned undeliverable to the Administrator shall have an additional 15 days beyond the Response
2 Deadline has expired in which to mail a Request for Exclusion and/or Objection to the Settlement.

3 1.40 “Settlement” means the disposition of the Settled Actions effected by the
4 Agreement and the Judgment.

5 1.41 “Workweek” means any week during which a Class Member worked for
6 Defendants, for at least one day during the Class Period, based on hire dates, re-hire dates (as
7 applicable), and termination dates (as applicable).

8 **2. RECITALS**

9 2.1 On November 15, 2021, Plaintiff Farrell provided written notice pursuant to Labor
10 Code section 2699.3 online and by certified mail, with return receipt requested, of Defendant Los
11 Angeles Truck Centers, LLC DBA Velocity Vehicle Group’s violation of various provisions of
12 the Labor Code to the LWDA (“Farrell PAGA Notice”). On January 19, 2022, Plaintiff Farrell
13 amended the Farrell PAGA Notice to include allegations against Defendant Los Angeles Truck
14 Service, LLC (“Farrell Amended PAGA Notice”).

15 2.2 Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), the LWDA did not
16 provide notice of its intention to investigate Defendants’ alleged violations within sixty-five (65)
17 calendar days of the November 15, 2021 Farrell PAGA Notice or January 19, 2022 Farrell
18 Amended PAGA Notice.

19 2.3 On May 9, 2022, the Villalpando Plaintiffs provided the PAGA Notice to the
20 LWDA, online and by certified mail, with return receipt requested.

21 2.4 On April 12, 2022, Plaintiff Farrell filed the Farrell Action.

22 2.5 Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), the LWDA did not
23 provide notice of its intention to investigate Defendants’ alleged violations within sixty-five (65)
24 calendar days of the Villalpando PAGA Notice.

25 2.6 On April 6, 2022, the Villalpando Plaintiffs filed the Class Action.

26 2.7 On September 2, 2022, the Villalpando Plaintiffs provided written notice to the
27 LWDA of a First Amended PAGA Notice (“the First Amended PAGA Notice”), on February 22,
28 2023, a Second Amended PAGA Notice, clarifying the Villalpando Plaintiffs’ allegations and

1 adding allegations against additional of the Defendants (“the Second Amended PAGA Notice”),
2 and, on December 19, 2023, a Third Amended PAGA Notice (“the Third Amended PAGA
3 Notice”).

4 2.8 On August 18, 2022, the Villalpando Plaintiffs filed the PAGA Action.

5 2.9 The Parties agreed to attend an early mediation. Prior to mediation, Plaintiffs
6 obtained, through informal discovery: (a) the estimated number of Class Members, Aggrieved
7 Employees, Workweeks and Pay Periods; (b) time and payroll records for 20% of the estimated
8 Class Members through the date of mediation; (c) wage and hour policy documents; and (d) all
9 documents pertaining to Plaintiffs, individually, available to Defendants.

10 2.10 Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set
11 forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot*
12 *Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

13 2.11 On March 2, 2024, following a prior, unsuccessful mediation with neutral Marc
14 Feder, the Parties participated in an all-day mediation with neutral Lynn Frank, Esq. The
15 mediation was successful, and the Parties agreed to execute a long-form settlement agreement to
16 embody the settlement.

17 2.12 The Court has not granted class certification of either the Class Action or the
18 Farrell Action.

19 2.13 The Parties, Class Counsel, and Defense Counsel represent that they are not aware
20 of any other pending matter or action asserting claims that will be extinguished or affected by
21 the Settlement.

22 **3. MONETARY TERMS**

23 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8.2, *infra*,
24 Defendants promise to pay the Gross Settlement Amount. Defendants have no obligation to pay
25 the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3,
26 *infra*. The Administrator shall disburse the entire Gross Settlement Amount without asking or
27 requiring Participating Class Members or Aggrieved Employees to submit any claim as a
28 condition of payment. No portion of the Gross Settlement Amount shall revert to Defendants.

1 3.2 Payments from the Gross Settlement Amount. The Administrator shall make and
2 deduct the following payments from the Gross Settlement Amount, in the amounts specified by
3 the Court in the Final Approval:

4 3.2.1 To Plaintiffs: Class Representatives Incentive Award to Plaintiffs in
5 the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each, totaling
6 Forty-Five Thousand Dollars and Zero Cents (\$45,000.00), in addition to any Individual Class
7 Payment and any Individual PAGA Payment they are entitled to receive as a Participating Class
8 Member. Defendants shall not oppose Plaintiffs' request for a Class Representatives Incentive
9 Award, provided that such request does not exceed the foregoing amounts. Through a motion
10 for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs shall seek
11 Court approval for any Class Representatives Incentive Awards prior to the Final Approval
12 Hearing. If the Court approves a Class Representatives Incentive Award less than the amount
13 requested, the Administrator shall retain the remainder in the Net Settlement Amount. The
14 Administrator shall pay the Class Representatives Incentive Award using IRS Form 1099.
15 Plaintiffs assume full responsibility and liability for employee taxes owed on the Class
16 Representatives Incentive Award.

17 3.2.2 To Class Counsel: A Class Counsel Fees Payment not to exceed one-
18 third of the Gross Settlement Amount which, unless escalated pursuant to Paragraph 8.2, *infra*,
19 is currently estimated to be in the amount of Eight Hundred Thirty-Three Thousand Three
20 Hundred Thirty-Three Dollars and Zero Cents (\$833,333.33), and a Class Counsel Litigation
21 Expenses Payment of not more than Fifty Thousand Dollars and Zero Cents (\$50,000.00).
22 Defendants shall not oppose requests for these payments, provided that they do not exceed the
23 foregoing amounts. Plaintiffs and Class Counsel shall file a motion for Class Counsel Fees
24 Payment and Class Litigation Expenses Payment prior to the Final Approval Hearing. If the
25 Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses
26 Payment less than the amounts requested, the Administrator shall allocate the remainder to the
27 Net Settlement Amount. The Released Parties shall have no liability to Class Counsel, or any
28 other attorneys representing Plaintiffs, arising from any claim to any portion of the Class Counsel

1 Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator shall pay
2 the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS
3 Forms 1099. Class Counsel assume full responsibility and liability for taxes owed on the Class
4 Counsel Fees Payment and the Class Counsel Litigation Expenses Payment, and hold Defendants
5 harmless from, and shall indemnify Defendants in, any dispute or controversy regarding any
6 division or sharing of the Class Counsel Fees Payment and/or the Class Counsel Litigation
7 Expenses Payment. There shall be no additional charge of any kind to the Participating Class
8 Members or Aggrieved Employees, nor shall there be any request for additional consideration
9 from Defendants for such work, unless Defendants breach any provision of Section 4, *infra*, , and
10 further efforts are necessary from Class Counsel to remedy said breach, including, without
11 limitation, moving the Court to enforce the Agreement. Should the Court approve the Class
12 Counsel Fees Payment and/or the Class Counsel Litigation Expenses Payment in amounts that
13 are less than the amounts provided for herein, the unapproved portion(s) shall be a part of the Net
14 Settlement Amount.

15 3.2.3 To the Administrator: An Administrator Expenses Payment not to
16 exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00), except upon a showing of good
17 cause and approved by the Court. To the extent the Administration Expenses Payment is less
18 than \$20,000, or the Court approves an amount less than \$20,000.00, the Administrator shall
19 retain the remainder in the Net Settlement Amount.

20 3.2.4 To Each Participating Class Member: An Individual Class Payment
21 calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked
22 by all Participating Class Members during the Class Period and (b) multiplying the result by each
23 Participating Class Member's Workweeks.

24 3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each
25 Participating Class Member's Individual Class Payment shall be allocated to settlement of wage
26 claims ("the Wage Portion"). The Wage Portions are subject to tax withholding and shall be
27 reported on an IRS Form W-2. The remaining 80% of each Participating Class Member's
28 Individual Class Payment shall be allocated to settlement of claims for interest and penalties ("the

Non-Wage Portion”). The Non-Wage Portions are not subject to wage withholdings and shall be reported on IRS Forms 1099. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members shall not receive any Individual Class Payments. The Administrator shall, for any such Non-Participating Class Member, retain the amount of the Individual Class Payment which such Non-Participating Class Member would otherwise be entitled to receive in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Two Hundred Fifty Thousand Dollars and Zero Cents (\$250,000.00) to be paid from the Gross Settlement Amount, with 75%, in the amount of One Hundred Eighty-Seven Thousand Five Hundred Dollars and Zero Cents (\$187,500.00), allocated to the LWDA PAGA Payment, and 25%, in the amount of Sixty-Two Thousand Five Hundred Dollars and Zero Cents (\$62,500.00), allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator shall calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties by the total number of Pay Periods worked by all Aggrieved Employees, and (b) multiplying the result by each Aggrieved Employee’s Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator shall allocate the remainder to the Net Settlement Amount. The Administrator shall report the Individual PAGA Payments on IRS Forms 1099.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of their records to date, Defendants estimate there are approximately 1,921 Class Members who collectively worked a total of 225,300 Workweeks, and 1,187 Aggrieved Employees who worked a total of 35,555 Pay Periods.

1 4.2 Class Data. Not later than seven (7) days after the Court grants Preliminary
2 Approval of the Settlement, Defendants shall deliver the Class Data to the Administrator, in the
3 form of a Microsoft Excel spreadsheet. To protect Class Members and Aggrieved Employees'
4 privacy rights, the Administrator shall maintain the Class Data in confidence, use the Class Data
5 only for purposes of the Settlement and for no other purpose, and restrict access to the Class Data
6 to Administrator employees who need access to the Class Data to effect and perform under the
7 Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they
8 discover that the Class Data omitted Class Member or Aggrieved Employee identifying
9 information and to provide corrected or updated Class Data as soon as reasonably feasible.
10 Without any extension of the deadline by which Defendants must send the Class Data to the
11 Administrator, the Parties and their counsel shall expeditiously use their best efforts, in good
12 faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

13 4.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross
14 Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of
15 payroll taxes, by transmitting the funds to the Administrator no later than fourteen (14) days after
16 the Effective Date.

17 4.4 Payments from the Gross Settlement Amount. Within seven (7) days after
18 Defendants fully fund the Gross Settlement Amount, the Administrator shall mail checks for all
19 Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the
20 Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel
21 Litigation Expenses Payment, and the Class Representatives Incentive Award. Disbursement of
22 the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class
23 Representatives Incentive Award shall not precede disbursement of Individual Class Payments,
24 and the Individual PAGA Payments.

25 4.4.1 The Administrator shall issue and send checks for the Individual Class
26 Payments to the Participating Class Members (including those for whom the Class Settlement
27 Notice was returned undeliverable), and for the Individual PAGA Payments to the Aggrieved
28 Employees (including Non-Participating Class Members who qualify as Aggrieved Employees,

1 and those for whom the PAGA Settlement Notice was returned undeliverable), via First Class
2 U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than
3 180 days after the date of mailing) when the check will be voided, and the Administrator shall
4 cancel all checks not cashed by the stated date. The Administrator may send Participating Class
5 Members a single check combining the Individual Class Payment and the Individual PAGA
6 Payment. Before mailing any checks, the Settlement Administrator shall verify and, if necessary,
7 update the recipients' mailing addresses using the National Change of Address Database.

8 4.4.2 The Administrator shall conduct a Class Member Address Search for
9 all Participating Class Members and Aggrieved Employees whose checks are returned
10 undelivered without a United States Postal Service ("USPS") forwarding address. Within seven
11 (7) days of receiving a returned check, the Administrator shall re-mail such check to the USPS
12 forwarding address provided, or to an address ascertained through the Class Member Address
13 Search. The Administrator need not take further steps to deliver checks to Participating Class
14 Members or Aggrieved Employees whose re-mailed checks are returned as undelivered. The
15 Administrator shall promptly send a replacement check to any Participating Class Member or
16 Aggrieved Employee whose original check was lost or misplaced, provided that such is requested
17 by that Participating Class Member or Aggrieved Employee prior to the stated date of check
18 avoidance.

19 4.4.3 For any Participating Class Member and/or Aggrieved Employee
20 whose Individual Class Payment check and/or Individual PAGA Payment check is uncashed and
21 cancelled after the stated date of check avoidance, the Administrator shall transmit the funds
22 identified on such checks to Legal Aid at Work, 180 Montgomery St., Suite 600, San Francisco,
23 California 94104, for use in Los Angeles County.

24 4.5 The payment of the Individual Class Payments and the Individual PAGA
25 Payments shall not obligate Defendants to confer any additional benefits or make any additional
26 payments to Participating Class Members (e.g., 401(k) contributions or bonuses) or Aggrieved
27 Employees beyond those specified in the Agreement.

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1 **5. RELEASE OF CLAIMS**

2 Upon the Final Approval, the entry of Judgment, and the date on which Defendants fully fund
3 the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the
4 Individual Class Payments, Plaintiffs, Participating Class Members, Aggrieved Employees and
5 Class Counsel shall be deemed to have released the Released Parties as follows:

6 5.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses,
7 representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release
8 and discharge the Released Parties from all claims, transactions, or occurrences, including, but
9 not limited to all claims that were, or reasonably could have been, alleged, based on the facts
10 contained in the Operative Complaint, the PAGA Notice, the First Amended PAGA Notice, the
11 Second Amended PAGA Notice, the Third Amended PAGA Notice, and/or the Farrell Amended
12 PAGA Notice ("Plaintiffs' Release"). The Plaintiffs' Release shall not extend to any claims or
13 actions to enforce the Agreement, or to any claims for vested benefits, unemployment benefits,
14 disability benefits, social security benefits, workers' compensation benefits that arose at any time,
15 or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may
16 discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know
17 or believe to be true but agree, nonetheless, that the Plaintiffs' Release shall be and remain
18 effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery
19 of same.

20 5.2 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For
21 purposes of the Plaintiffs' Release, only, Plaintiffs expressly waive and relinquish the provisions,
22 rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

23 "A general release does not extend to claims that the creditor or
24 releasing party does not know or suspect to exist in his or her favor
25 at the time of executing the release, and that if known by him or her
26 would have materially affected his or her settlement with the debtor
27 or Released Party."

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1 5.3 Release by Participating Class Members. For the duration of the Class Period, the
2 Participating Class Members, on behalf of themselves and their respective former and present
3 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the
4 Released Parties from all claims that were alleged, or reasonably could have been alleged, based
5 on the facts stated in the Operative Complaint, including: (1) failure to pay overtime wages
6 (California Labor Code sections 510, 512, 1194); (2) failure to pay minimum wages (California
7 Labor Code sections 1194, 1197, 1197.1); (3) failure to provide meal periods (California Labor
8 Code sections 226.7, 510, 512); (4) failure to provide rest periods (California Labor Code
9 sections 226.7, 510); (5) failure to timely pay final wages and wages during employment / waiting
10 time penalties (California Labor Code sections 201-204, 210); (6) failure to keep requisite payroll
11 records (California Labor Code section 1174); (7) wage statement violations (California Labor
12 Code section 226); (8) failure to indemnify for business expenses (California Labor Code section
13 2802); (9) failure to pay vested vacation (California Labor Code section 227.3) and (10) unfair
14 competition (California Business & Professions Code sections 17200 -17204).

15 5.4 Except as set forth in Paragraph 5.3, *supra*, Participating Class Members do not,
16 by virtue of the Settlement, release any other claims, including claims for vested benefits,
17 wrongful termination, violation of the Fair Employment and Housing Act, unemployment
18 insurance, disability, social security, workers' compensation, or claims based on facts occurring
19 outside the Class Period.

20 5.5 Release by Aggrieved Employees. For the duration of the PAGA Period, the
21 Aggrieved Employees, on behalf of themselves and their respective former and present
22 representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to
23 release the Released Parties from all claims that were alleged, or reasonably could have been
24 alleged, based on the facts stated in the Operative Complaint, the PAGA Notice, the First
25 Amended PAGA Notice, the Second Amended PAGA Notice, and/or the Third Amended PAGA
26 Notice, which includes penalties pursuant to California Labor Code §§ 2698-2699.5 for
27 underlying allegations of those sections of the Labor Code enumerated in Paragraph 5.3, *supra*,
28 and including Labor Code §§ 201-204, 210, 226, 226.7, 227.3, 510, 512, 1174, 1194, 1194.2,

1197, 1197.1, 1198, and 2802.

6. MOTION FOR PRELIMINARY APPROVAL

The Parties shall jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

6.1 Defendants’ Declaration in Support of Preliminary Approval. Within seven (7) days of full execution of the Agreement, Defendants shall prepare and deliver to Class Counsel signed declarations from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator.

6.2 Plaintiffs’ Responsibilities. Plaintiffs shall prepare all documents necessary for obtaining Preliminary Approval, including: (i) the Notice, and Memorandum in Support, of the Motion for Preliminary Approval, which shall include an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the Settlement, to the extent relating to PAGA, under Labor Code Section 2699, subd. (f)(2)); (ii) a Proposed Order Granting Preliminary Approval and Approval of the Settlement, to the extent relating to PAGA; (iii) a proposed Class Notice (Exhibit A); (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve, its competency, its operative procedures for protecting the security of Class Data, the limits of insurance coverage for any data breach, defalcation of funds or other misfeasance, (v) all facts relevant to any actual or potential conflicts of interest with Class Members and Aggrieved Employees, and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (vi) a signed declaration from Plaintiffs confirming willingness and competency to serve as the Class Representatives and disclosing all facts relevant to any actual or potential conflicts of interest with the Class Members and the Aggrieved Employees; (vii) signed declarations from Class Counsel, from each firm, attesting to their competency to represent the Class Members and the Aggrieved Employees, their timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), the Agreement (Labor Code section 2699, subd. (l)(2)), and all

1 facts relevant to any actual or potential conflict of interest with the Class Members, the Aggrieved
2 Employees, and/or the Administrator.

3 6.3 Responsibilities of Class Counsel. Class Counsel is responsible for expeditiously
4 finalizing and filing the Motion for Preliminary Approval after the full execution of the
5 Agreement and obtaining a prompt hearing date for the Motion for Preliminary Approval/ Class
6 Counsel and Defense Counsel shall appear at the Preliminary Hearing and advocate in favor of
7 approval of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the
8 Court's Preliminary Approval to the Administrator.

9 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion
10 for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
11 Defense Counsel shall expeditiously work together on behalf of the Parties by meeting and
12 conferring in person or by telephone, and in good faith, to resolve the disagreement. If the Court
13 does not grant the Motion for Preliminary Approval or conditions granting of the Motion for
14 Preliminary Approval on any material change to the Agreement, Class Counsel and Defense
15 Counsel shall expeditiously work together on behalf of the Parties by meeting and conferring in
16 person or by telephone, and in good faith, to modify the Agreement, only to the extent necessary
17 and to otherwise satisfy the Court's concerns for the purpose of procuring unconditional granting
18 of the Motion for Preliminary Approval.

19 **7. SETTLEMENT ADMINISTRATION**

20 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement
21 Administrators to serve as the Administrator and verified that, as a condition of appointment,
22 Phoenix Settlement Administrators shall be bound by the Agreement and to perform, as a
23 fiduciary, all duties specified in the Agreement in exchange for payment of the Administration
24 Expenses. The Parties and their counsel represent that they have no interest or relationship,
25 financial or otherwise, with the Administrator other than a professional relationship arising out
26 of prior experiences administering settlements.

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1 7.2 Employer Identification Number. The Administrator shall have and use its own
2 Employer Identification Number for purposes of calculating payroll tax withholdings and
3 providing reports state and federal tax authorities.

4 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund
5 that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury
6 Regulation section 468B-1.

7 7.4 Notice to Class Members

8 7.4.1 No later than three (3) business days after receipt of the Class Data,
9 the Administrator shall notify Class Counsel that the Class Data has been received and state the
10 number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class
11 Data.

12 7.5 Using its best efforts and as soon as is possible, and in no event later than fourteen
13 (14) days after receipt of the Class Data, the Administrator shall send to the Class Members and
14 Aggrieved Employees identified in the Class Data, via first-class USPS mail, the Class Notice.
15 The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual
16 Class Payment and/or Individual PAGA Payment payable to the Class Member and/or Aggrieved
17 Employee, and the number of Workweeks and Pay Periods (if applicable) used to calculate these
18 amounts. Before mailing the Class Notices, the Administrator shall update the Class Members’
19 and Aggrieved Employees’ addresses using the National Change of Address database.

20 7.6 Not later than three (3) business days after the Administrator’s receipt of any
21 previously mailed Class Notice returned by the USPS as undelivered, the Administrator shall re-
22 mail the Class Notice using any forwarding address provided by the USPS. If the USPS does
23 not provide a forwarding address, the Administrator shall conduct a Class Member Address
24 Search, and re-mail the Class Notice to the most current address obtained. The Administrator
25 has no obligation to make further attempts to locate or send Class Notice to Class Members or
26 Aggrieved Employees whose Class Notice is returned by the USPS a second time.

27 7.7 The deadlines for the Class Members’ written objections, challenges to
28 Workweeks and/or Pay Periods, and Requests for Exclusion shall be extended an additional

1 fifteen (15) days beyond the forty-five (45) days otherwise provided in the Class Notice,
2 exclusive for those Class Members and Aggrieved Employees, if any, whose notice is re-mailed.
3 The Administrator shall inform the Class Member or Aggrieved Employee of the extended
4 deadline with the re-mailed Class Notice.

5 7.8 If the Administrator, Defendants, Defense Counsel, or Class Counsel are
6 contacted by or otherwise discover any persons who believe they should have been included in
7 the Class Data, but were not, and should have received Class Notice, but did not, the Parties shall
8 expeditiously meet and confer, and in good faith, in an effort to agree on whether to deem said
9 persons Class Members and/or Aggrieved Employees. If the Parties agree to deem said persons
10 Class Members and/or Aggrieved Employees, such persons shall be entitled to the same rights
11 as other Class Members and/or Aggrieved Employees, and the Administrator shall send, via
12 email or overnight delivery, a Class Notice requiring them to exercise options under the
13 Agreement not later than fifteen (15) days after receipt of the Class Notice, or the deadline dates
14 in the Class Notice, whichever are later. If the Parties do not agree, or are unable to agree, to
15 deem said persons Class Members and/or Aggrieved Employees, the Settlement Administrator
16 shall send, via email or overnight delivery, a notification indicating that said persons are not, and
17 shall not be deemed, Class Members and/or Aggrieved Employees.

18 7.9 Requests for Exclusion (Opt-Outs). Class Members who wish to exclude
19 themselves from (opt-out of) the non-PAGA portion of the Settlement shall send the
20 Administrator, by mail, a signed written Request for Exclusion not later than forty-five (45) days
21 after the Administrator mails the Class Notice (plus an additional fifteen (15) days for Class
22 Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class
23 Member or his/her representative that reasonably communicates the Class Member's election to
24 be excluded from the non-PAGA portion of the Settlement and includes the Class Member's
25 name, address and email address or telephone number. To be valid, a Request for Exclusion
26 must be timely postmarked by the Response Deadline. The Administrator may not reject a
27 Request for Exclusion, or deem such invalid, merely because it fails to contain all the information
28 specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid

1 if the Administrator can reasonably ascertain the identity of the person as a Class Member and
2 the Class Member's desire to be excluded. The Administrator's determination shall be final and
3 not appealable or otherwise susceptible to challenge. If the Administrator has reason to question
4 the authenticity of a Request for Exclusion, the Administrator may demand additional proof of
5 the Class Member's identity. The Administrator's determination of authenticity shall be final and
6 not appealable or otherwise susceptible to challenge. Every Class Member who does not submit
7 a timely and valid Request for Exclusion shall be deemed to be a Participating Class Member
8 under the Agreement, entitled to all benefits and bound by all terms and conditions of the
9 Settlement, including the Participating Class Members' Releases, as set forth in Paragraphs 5.3
10 and 5.4, *supra*, regardless of whether the Participating Class Member actually receives the Class
11 Notice or objects to the Settlement. Every Class Member who submits a valid and timely Request
12 for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class
13 Payment or have the right to object to the non-PAGA portion of the Settlement. Because future
14 PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating
15 Class Members who are Aggrieved Employees are deemed to release the claims identified in
16 Paragraph 5.5, *supra*, and are eligible for an Individual PAGA Payment.

17 7.10 Challenges to Calculation of Workweeks. Each Class Member and Aggrieved
18 Employee shall have forty-five (45) days after the Administrator mails the Class Notice (plus an
19 additional fifteen (15) days for Class Members and Aggrieved Employees whose Class Notice is
20 re-mailed) to challenge the number of Class Workweeks and Pay Periods (if any) allocated to the
21 Class Member and/or Aggrieved Employee in the Class Notice. The Class Member or Aggrieved
22 Employee may challenge the allocation by communicating with the Administrator via mail. The
23 Administrator shall encourage the challenging Class Member or Aggrieved Employee to submit
24 supporting documentation. In the absence of any contrary documentation, the Administrator is
25 entitled to presume that the Workweeks and/or Pay Periods contained in the Class Notice are
26 correct, so long as they are consistent with the Class Data. The Administrator's determination
27 of each Class Member and/or Aggrieved Employee's allocation of Workweeks and/or Pay
28 Periods shall be final and not appealable or otherwise susceptible to challenge. The

1 Administrator shall promptly provide copies of all challenges to calculation of Workweeks
2 and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination
3 the challenges.

4 7.11 Objections to Settlement. Only Participating Class Members may object to the
5 non-PAGA components of the Settlement and/or the Agreement, including contesting the
6 fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, the
7 Class Counsel Litigation Expenses Payment and/or the Class Representatives Incentive Award.
8 Participating Class Members may send written objections to the Administrator by mail. In the
9 alternative, Participating Class Members may appear in Court (or hire an attorney to appear in
10 Court on their behalf) to present verbal objections at the Final Approval Hearing. A Participating
11 Class Member who elects to send a written objection to the Administrator must do so not later
12 than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional
13 fifteen (15) days for Class Members whose Class Notice was re-mailed). Non-Participating Class
14 Members have no right to object to any of the non-PAGA portion of the Settlement.

15 7.12 Administrator Duties. The Administrator has a duty to perform or observe all tasks
16 to be performed or observed by the Administrator contained in the Agreement or otherwise.

17 7.13 Website, Email Address and Toll-Free Number. The Administrator shall maintain
18 and use an internet website to post information of interest to Class Members including the date,
19 time and location for the Final Approval Hearing and copies of the Settlement Agreement, the
20 Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for
21 Final Approval, the Motion for Class Counsel Fees Payment, the Class Counsel Litigation
22 Expenses Payment and the Class Representatives Incentive Award, the Final Approval and the
23 Judgment. The Administrator shall also maintain and monitor an email address and a toll-free
24 telephone number to receive the Class Member calls and emails.

25 7.14 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator shall
26 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later
27 than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the
28 Administrator shall email a list to Class Counsel and Defense Counsel containing: (a) the names

1 and other identifying information of Class Members who have timely submitted valid Requests
2 for Exclusion (“the Exclusion List”); (b) the names and other identifying information of Class
3 Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for
4 Exclusion from Settlement received, regardless of validity.

5 7.15 Weekly Reports. The Administrator shall, on a weekly basis, provide written
6 reports to Class Counsel and Defense Counsel that, *inter alia*, state the number of Class Notices
7 mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (regardless of
8 validity) received, objections received, challenges to Workweeks and/or Pay Periods received
9 and/or resolved, and checks mailed for the Individual Class Payments and the Individual PAGA
10 Payments (“the Weekly Report”). The Weekly Reports must include the Administrator’s
11 assessment of the validity of Requests for Exclusion and attach copies of all Requests for
12 Exclusion and objections received.

13 7.16 Workweek and/or Pay Period Challenges. The Administrator has the authority to
14 address and make final decisions consistent with the terms of the Agreement on all Class Member
15 and/or Aggrieved Employee challenges to the calculation of Workweeks and/or Pay Periods. The
16 Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

17 7.17 Administrator’s Declaration. Before the date by which Plaintiffs are required to
18 file the Motion for Final Approval, the Administrator shall provide to Class Counsel and Defense
19 Counsel a declaration suitable for filing in Court attesting to its due diligence and compliance
20 with all of its obligations under the Agreement including, but not limited to, its mailing of the
21 Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts
22 to locate Class Members and/or Aggrieved Employees, the total number of Requests for
23 Exclusion from Settlement it received (regardless of validity), the number of written objections
24 and attach the Exclusion List. The Administrator shall supplement its declaration as needed or
25 requested by the Parties and/or the Court. Class Counsel is responsible for filing the
26 Administrator’s declaration(s) in Court.

27 7.18 Final Report by Settlement Administrator. Within 10 days after the Administrator
28 disburses all funds in the Gross Settlement Amount, the Administrator shall provide Class

Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number (only) of all payments made under the Agreement. At least seven (7) days before any deadline set by the Court, the Administrator shall prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under the Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

8.1 Based on their records, Defendants estimate that: (1) there are 1,921 Class Members and 225,300 Workweeks during the Class Period; and (2) there are 1,187 Aggrieved Employees who worked 35,555 Pay Periods during the PAGA Period.

8.2 Increase in Workweeks. Defendants represent that there were no more than 225,300 Workweeks during the Class Period. In the event the number of Workweeks during the Class Period increases by more than 10%, or an additional 22,530 Workweeks, then the Gross Settlement Amount shall be increased proportionally one (1) percent by the Workweeks in excess of 247,830, multiplied by “the Workweek Value.” The Workweek Value shall be calculated by dividing the Gross Settlement Amount by 225,300. The Workweek Value amounts to \$11.10 per Workweek ($\$2,500,000 / 225,300$ Workweeks). Thus, for example, should there be 250,000 Workweeks during the Class Period, the Gross Settlement Amount shall be increased by \$24,087.00 ($250,000 \text{ Workweeks} - 247,830 \text{ Workweeks} \times \$11.10/\text{Workweek}$).

9. DEFENDANTS' RIGHT TO WITHDRAW

9.1 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds five (5) percent of the total of all Class Members, Defendants may, in their sole discretion, elect to withdraw from the Settlement. If Defendants withdraw from the Settlement, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and neither Party shall have any further obligation to perform under the Agreement; provided, however, Defendants shall remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants shall notify Class Counsel and the Court of their election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel, with

late elections having no effect.

10. MOTION FOR FINAL APPROVAL

10.1 Plaintiffs shall file, in Court, a motion for final approval of the Class Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “the Motion for Final Approval”). Class Counsel shall provide a draft of the Motion for Final Approval to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel shall have seven (7) days from provision of the draft Motion for Final Approval, before expiration of which Class Counsel shall not file the Motion for Final Approval, to expeditiously meet and confer, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.2 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.1 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members and/or Aggrieved Employees), the Parties shall expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representatives Incentive Award, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Administrator Expenses Payment and/or individual claims of Plaintiffs shall not constitute a material change to the Agreement within the meaning of this Paragraph.

10.2 Continuing Jurisdiction of the Court. After entry of the Judgment, the Court shall retain jurisdiction over the Parties, the Settled Actions, and the Settlement, solely for purposes of (i) enforcing the Agreement and/or the Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

1 10.3 Waiver of Right to Appeal. Provided that the Judgment is consistent with the
2 terms and conditions of the Agreement, specifically including the Class Counsel Fees Payment
3 and Class Counsel Litigation Expenses Payment reflected herein, the Parties, their respective
4 counsel, and all Participating Class Members who did not object to the Settlement as provided in
5 the Agreement, waive all rights to appeal from the Judgment, including all rights to post-
6 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for
7 new trial, extraordinary writs, and appeals. The waiver of appeal shall not include any waiver of
8 the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the
9 Parties' obligations to perform under the Agreement shall be suspended until such time as the
10 appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect
11 the amount of the Net Settlement Amount.

12 10.4 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If
13 the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
14 material modification of this Agreement (including, but not limited to, the scope of release to be
15 granted by Class Members and/or Aggrieved Employees), the Agreement shall be deemed null
16 and void. The Parties shall nevertheless expeditiously work together in good faith to address the
17 reviewing Court's concerns and to obtain Final Approval and entry of the Judgment, sharing, on
18 a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An
19 appellate decision to vacate, reverse, or modify the Court's award of the Class Representatives
20 Incentive Award or any payments to Class Counsel shall not constitute a material modification
21 of the Judgment within the meaning of this Paragraph, as long as the Gross Settlement Amount
22 remains unchanged.

23 **11. AMENDED JUDGMENT**

24 11.1 If any amended judgment is required under Code of Civil Procedure section 384,
25 the Parties shall work together in good faith to jointly submit a proposed amended judgment.

26 **12. ADDITIONAL PROVISIONS**

27 12.1 No Admission of Liability, Class Certification or Representative Manageability
28 for Other Purposes. The Agreement represents a compromise and settlement of highly disputed

1 claims. Nothing in the Agreement is intended or should be construed as an admission by
2 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants
3 have any liability for any claims asserted; nor should it be intended or construed as an admission
4 by Plaintiffs that Defendants' defenses in the Settled Actions have merit. The Parties agree that
5 class certification and representative treatment is for purposes of the Settlement only. If, for any
6 reason, the Court does grant Preliminary Approval, Final Approval or enter the Judgment,
7 Defendants reserve the right to contest certification of any class for any reasons, and Defendants
8 reserve all available defenses to the claims in the Settled Actions, and Plaintiffs reserve the right
9 to move for class certification on any grounds available and to contest Defendants' defenses.
10 The Settlement, the Agreement and the Parties' willingness to settle the Settled Actions shall have
11 no bearing on, and shall not be admissible in connection with, any litigation (except for
12 proceedings to enforce or effectuate the Settlement and the Agreement).

13 12.2 No Solicitation. The Parties and their respective counsel and employees shall not
14 solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment.
15 Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate
16 with Class Members in accordance with Class Counsel's ethical obligations owed to the Class
17 Members.

18 12.3 Integrated Agreement. Upon execution by the Parties and their counsel, the
19 Agreement, together with its attached exhibit, shall constitute the entire agreement between the
20 Parties relating to the Settlement, superseding any and all oral representations, warranties,
21 covenants, or inducements made to or by any Party.

22 12.4 Attorney Authorization. Class Counsel and Defense Counsel separately warrant
23 and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all
24 appropriate action required or permitted to be taken by such Parties pursuant to the Agreement
25 to effectuate its terms, and to execute any other documents reasonably required to effectuate the
26 terms of the Agreement, including any amendments to the Agreement.

27 12.5 Cooperation. The Parties and their counsel shall cooperate with each other and
28 use their best efforts, in good faith, to implement the Settlement by, *inter alia*, modifying the

1 Agreement, and submitting supplemental evidence and supplementing points and authorities as
2 requested by the Court. In the event the Parties are unable to agree upon the form or content of
3 any document necessary to implement the Settlement, or on any modification of the Agreement
4 that may become necessary to implement the Settlement, the Parties shall seek the assistance of
5 a mediator and/or the Court for resolution.

6 12.6 No Prior Assignments. The Parties separately represent and warrant that they
7 have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,
8 or encumber to any person or entity and portion of any liability, claim, demand, action, cause of
9 action, or right released and discharged by such Parties in the Agreement.

10 12.7 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense
11 Counsel are providing any advice regarding taxes or taxability, nor shall anything in the
12 Agreement be relied upon as such, within the meaning of United States Treasury Department
13 Circular 230 (31 CFR Part 10, as amended) or otherwise.

14 12.8 Modification of Agreement. The Agreement, and all parts of it, may be amended,
15 modified, changed, or waived only by an express written instrument signed by the Parties or their
16 representatives, and approved by the Court.

17 12.9 Agreement Binding on Successors. The Agreement shall be binding upon, and
18 inure to the benefit of, the successors of each of the Parties.

19 12.10 Applicable Law. All terms and conditions of the Agreement and its exhibit will
20 be governed by and interpreted according to the internal laws of the State of California, without
21 regard to conflict of law principles.

22 12.11 Cooperation in Drafting. The Parties have cooperated in the drafting and
23 preparation of the Agreement. The Agreement shall not be construed against any Party on the
24 basis that the Party was the drafter or participated in the drafting.

25 12.12 Confidentiality. To the extent permitted by law, all agreements made, and orders
26 entered during the Settled Actions and in the Agreement relating to the confidentiality of
27 information shall survive the execution of the Agreement.

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1 12.13 Use and Return of Class Data. Information provided to Class Counsel pursuant
2 to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class
3 Counsel by Defendants in connection with the mediation, other settlement negotiations, or in
4 connection with the Settlement, may be used only with respect to the Settlement, and no other
5 purpose, and may not be used in any way that violates any existing contractual agreement, statute,
6 or rule of court.

7 12.14 Headings. The descriptive heading of any section or paragraph of the Agreement
8 is inserted for convenience of reference only and does not constitute a part of the Agreement.

9 12.15 Calendar Days. Unless otherwise noted, all reference to “days” in the Agreement
10 shall be to calendar days. In the event any date or deadline set forth in the Agreement falls on a
11 weekend or federal legal holiday, such date or deadline shall be on the first business day
12 thereafter.

13 12.16 Execution in Counterparts. The Agreement may be executed in one or more
14 counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of the
15 Agreement shall be accepted as an original. All executed counterparts and each of them shall be
16 deemed to be one and the same instrument if counsel for the Parties will exchange between
17 themselves signed counterparts. Any executed counterpart shall be admissible in evidence to
18 prove the existence and contents of the Agreement.

19 12.17 Stay of Litigation. Upon the execution of the Agreement, the Settled Actions shall
20 be stayed, except as may be necessary to effectuate the terms of the Agreement. Upon the
21 execution of the Agreement, pursuant to C.C.P. section 583.330, the date to bring a case to trial
22 under C.C.P. section 583.310 shall be tolled for the entire period of this settlement process.

23 12.18 Notice. All notices, demands or other communications between the Parties in
24 connection with the Agreement shall be in writing and delivered by overnight mail at the
25 addresses set forth below, or such other addresses as either Party may designate in writing:

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To Plaintiffs and Class Counsel:

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To Defendants and Defense Counsel:

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FISHER & PHILLIPS LLP
Ariella M. Kupetz (SBN 332736)
444 S. Flower St., Suite 1500
Los Angeles, CA 90071
akupetz@fisherphillips.com

12.19 Severability. In the event that one or more of the provisions contained in the Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel, on behalf of the Parties, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in the Agreement.

IT IS SO AGREED BY:

Dated: 9/19/24

LUIS MANUEL VILLALPANDO


Luis Villalpando (Sep 19, 2024 10:47 PDT)

Dated: 9/19/24

BYRON OSPITIA


Byron Ospitia (Sep 19, 2024 11:04 PDT)

Dated: 9/19/24

DEVAN ESCOBAR


Devan Escobar (Sep 19, 2024 10:53 PDT)

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ALEJANDRO MENDOZA

Alejandro Mendoza

Alejandro Mendoza (Sep 19, 2024 11:08 PDT)

Dated: 9/19/24

THOMAS VALENZUELA

Thomas Valenzuela

Thomas Valenzuela (Sep 19, 2024 05:51 PDT)

Dated: 9/19/24

RONNIE FARRELL

Dated: _____

LOS ANGELES TRUCK SERVICES, LLC

Dated: _____

Name: _____

Title: _____

TRANSWEST TRUCK CENTER, LLC

Dated: _____

Name: _____

Title: _____

**VELOCITY VEHICLE GROUP CAROLINAS
I, LLC**

Dated: _____

Name: _____

Title: _____

**VELOCITY VEHICLE GROUP CAROLINAS
II, LLC**

Dated: _____

Name: _____

Title: _____

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**VELOCITY VEHICLE GROUP CAROLINAS
III, LLC**

Dated: _____

Name: _____

Title: _____

LOS ANGELES TRUCK CENTERS, LLC

Dated: _____

Name: _____

Title: _____

FLEET LOGIC, LLC

Dated: _____

Name: _____

Title: _____

BUSWEST, LLC

Dated: _____

Name: _____

Title: _____

VELOCITY SBA, LLC

Dated: _____

Name: _____

Title: _____

**CROSSROADS EQUIPMENT LEASE AND
FINANCE, LLC**

Dated: _____

Name: _____

Title: _____

SVT FLEET, LLC

Dated: _____

Name: _____

Title: _____

AGREED AS TO FORM ONLY BY:

BIBIYAN LAW GROUP, P.C.

Vedang J. Patel

Dated: 9/19/2024

David D. Bibiyan

Vedang J. Patel

Attorneys for Plaintiffs, on behalf of themselves
and all others similarly situated and aggrieved

LAWYERS for JUSTICE, P.C.

Dated: _____

Edwin Aiwazian

Arman Marukyan

Attorneys for Plaintiffs, on behalf of themselves
and all others similarly situated and aggrieved

FISHER & PHILLIPS LLP

Dated: _____

Hannah Sweiss

Ariella M. Kupetz

Attorneys for Defendants

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ALEJANDRO MENDOZA

Dated: _____

THOMAS VALENZUELA

Dated: _____

RONNIE FARRELL

Dated: 09/18/2024

Electronically Signed
2024-09-19 02:37:42 UTC - 47:150.206.211
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LOS ANGELES TRUCK SERVICES, LLC

Dated: 09/19/24


Bryan Kobus (Sep 19, 2024 13:55 PDT)
Name: Bryan Kobus
Title: CFO

TRANSWEST TRUCK CENTER, LLC

Dated: 09/19/24


Bryan Kobus (Sep 19, 2024 13:55 PDT)
Name: Bryan Kobus
Title: CFO

VELOCITY VEHICLE GROUP CAROLINAS I, LLC

Dated: 09/19/24


Bryan Kobus (Sep 19, 2024 13:55 PDT)
Name: Bryan Kobus
Title: CFO

VELOCITY VEHICLE GROUP CAROLINAS II, LLC

Dated: 09/19/24


Bryan Kobus (Sep 19, 2024 13:55 PDT)
Name: Bryan Kobus
Title: CFO

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**VELOCITY VEHICLE GROUP CAROLINAS
III, LLC**

Dated: 09/19/24


Bryan Kobus (Sep 19, 2024 13:55 PDT)
Name: Bryan Kobus
Title: CFO

LOS ANGELES TRUCK CENTERS, LLC

Dated: 09/19/24


Bryan Kobus (Sep 19, 2024 13:55 PDT)
Name: Bryan Kobus
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FLEET LOGIC, LLC

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SVT FLEET, LLC

Dated: 09/19/24


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Name: Bryan Kobus
Title: CFO

1 **AGREED AS TO FORM ONLY BY:**

2 **BIBIYAN LAW GROUP, P.C.**

3 Dated: _____

4 _____
David D. Bibiyan
Vedang J. Patel
5 Attorneys for Plaintiffs, on behalf of themselves
and all others similarly situated and aggrieved

7 **LAWYERS for JUSTICE, P.C.**

8 Dated: September 19, 2024

9 

Edwin Aiwazian
Arman Marukyan
10 Attorneys for Plaintiffs, on behalf of themselves
and all others similarly situated and aggrieved

12 **FISHER & PHILLIPS LLP**

13 Dated: September 19, 2024

14 

Hannah Sweiss
Ariella M. Kupetz
15 Attorneys for Defendants